

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 492 – HB 601

March 21, 2018

**SUMMARY OF ORIGINAL BILL:** Eliminates the right of redemption for real property sold in a delinquent property tax sale.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent a property is sold in a delinquent property tax sale that would have otherwise been redeemed or attempted to be redeemed by an owner, local governments may incur a mandatory decrease in local expenditures and a mandatory decrease in local revenue. The extent and timing of any such impact are dependent upon the actions of an owner in each delinquent tax sale and cannot be reasonably quantified.

**SUMMARY OF AMENDMENT (015050):** Deletes all language after the enacting clause. Requires that a tax lien does not attach to an easement appurtenant upon property that is a servient estate or to an easement in gross that was assessed separately from other property.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Other Fiscal Impact – To the extent a tax lien is not attached to a property easement that would attach in the absence of this legislation, state and local government may incur a mandatory decrease in revenue. The extent and timing of any decrease cannot be determined due to unknown factors.**

Assumptions for the bill as amended:

- Under current law, pursuant to Tenn. Code Ann. § 67-5-2102, a tax lien is required to extend to each and every part of all tracks or lots of land and to every species of taxable property and such taxes are required to be a lien upon the fee in the property to any and all persons with interest in the property.
- Excluding certain easements from a property tax lien may reduce the amount of tax revenue recovered in a delinquent property tax sale. Any mandatory decrease

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in state or local revenue is dependent upon the timing and amount of delinquent taxes collected under the provisions of this legislation compared to the amount that would be collected under current law and cannot be reasonably determined.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/amj